

An Overview of Grant County's 2009 Annual Trending April 26, 2010

The following steps were taken to conduct the 2010 annual trending in Grant County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Grant County were completely re-examined and, where necessary, re-delineated for annual trending in 2010. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

Step 2: Calculation of New Land Values

New land values were calculated for 2010 and in only limited circumstances did sales warrant new land values for 2010. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2007 and March 1, 2010. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Grant County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors.

With regard to rental homes, the county has assembled a detailed income and expense data base that has allowed for the calculation of market rents, expenses, capitalization rates, and gross rent multipliers. This database is the primary method of valuing all rental homes, and in some cases larger apartment complexes.

Step 4: Updated Commercial & Industrial Improvement Values

Nexus Group 2010 cost tables were implemented in Hancock County for 2010 trending. These costs are essentially our 2008 costs with 4 exceptions which include: dining lounges, mobile home parks, banks, and special use commercial properties. These 4 property types experienced a positive change in value. Additionally, the depreciation year was also updated to 3/1/2010. This depreciation change resulted in value changes for commercial and industrial parcels that are not maximized on depreciation at 80%. Additionally, reassessment and other field work have potentially changed the value of individual parcels.

For improved residential property, in all most townships, it was determined to get an adequate sample size sales for 2008, 2009 and 2010 were used. In some townships 2007, 2006 and 2005 sales had to be used to get an adequate sample size. (Green and Liberty 2005, Monroe, Richland, Van Buren 2007)

In some rural townships it became apparent that parcels that had been upgraded (vinyl siding, new windows, etc) were consistently valued low compared to the sales prices even though they were given a "Good" condition on the property record card. These parcels and like parcels were stratified and a market factor was applied. This was done by township based on Grade, Condition, Effective Year, Year Built and Square Footage.

For vacant residential to obtain an adequate sample size sales for 2010 to 2005 were used. This varied by township. Every attempt was made to limit the number of years used.

For Vacant and Improved Commercial sales for 2006 through 2010 were used to obtain adequate sample size.

Sales from 2002 through 2010 were used to obtain an adequate sample size for Vacant Industrial properties.

Sales for 2005 through 2010 were used to obtain a sample for Improved Industrial.

Multi-Parcels sales are noted with comments in their respective cells.

Where necessary comments were inserted in cells where special circumstances were present.